Political Science 527 Rick Wilson
Spring 2020 Herzstein 118
Tuesday 9 - 12 713.348.3352

Institutional Analysis and Design

This course is an introduction to Institutional Analysis and Design. The study of political institutions has been the bread and butter of political science since Aristotle. This course moves past classical institutionalism and treats contemporary ways of analyzing individual behavior in institutions. Try to keep an open mind. In the course you will be reading material gathered from a number of different disciplines. You will be introduced to a number of ways of thinking about the role of institutions for constraining behavior as well as encouraging behavior.

Course Requirements:

The course will be run as a seminar. A seminar means that you will be treated as a "junior colleague." *Everyone* is expected to contribute to discussion. As a consequence, completing the reading prior to each class meeting is mandatory. This will enable you to ask questions of material that is unclear (and some of it will be) and to force the members of the seminar (including the instructor) to keep on the ball. The readings are noted below. At the end of the syllabus are additional (supplemental) readings that might be of interest. These are arranged by week.

To help you think carefully about the material, I am requiring that you write, *each week*, a 2-3 page memorandum covering one of the readings. The memorandum should do 4 things. First, it should outline the main point to the book/article. Second, it should indicate how this book/article fits with the others that were assigned for this week. Third it should detail how well the argument or the data support the main point. Fourth it should detail any new directions or extensions that are worthwhile. Because we meet on Tuesday mornings and I would love to see the memos *before* class, the memos are due on Monday at 9:00 am. The memo should be emailed to me. I will try to comment on your memos prior to class. In order to make this course run smoothly *everyone* must turn his or her work in on time! Stragglers will be regarded with ill humor.

You will also be required to write a final paper for the class. The paper will elaborate a question that is critical in your field, the paper will develop the appropriate theoretical contribution, the paper will detail the research design used to test the concept, the paper will discuss the data that would be collected (and build appropriate tables and statistical estimates) and generate a conclusion. Your paper topic will be worked out in advance with the instructor. Note, I do not want you to actually touch data in your paper (unless worked out in advance with me). I see no reason that you should be constrained by what's available or what others have already done. Show some imagination.

Books.

These books are required.

Skyrms, Brian. *The Stag Hunt and the Evolution of Social Structure*. Cambridge: Cambridge University Press, 2003.

Knight, Jack. *Institutions and Social Conflict*. Cambridge: Cambridge University Press, 1992.

North, Douglass C. *Institutions, Institutional Change and Economic Performance.* Cambridge: Cambridge University Press, 1990.

Miller, Gary J. 1992. *Managerial Dilemmas: The Political Economy of Hierarchy.* Cambridge: Cambridge University Press.

Ostrom, Elinor. *Understanding Institutional Diversity.* Princeton: Princeton University Press, 2005.

Grading:

Grading is straightforward.

Paper	40%
Memorandum	40%
Class Participation	20%

Course Outline:

The following represents a reading list for the semester. The management reserves the right to change the menu. I'll try to put things up on Canvas, so check it for up-to-date readings. The supplemental readings (at the end of the syllabus) are for your personal edification. Some might be interesting and I continually add things to the list.

Week 1. (January 14) Writing Exercise

> I want you to write a 3 paragraph memo concerning what interests you about political institutions. The first paragraph should introduce your question, making a clear case of why it is important. The second paragraph should focus on the key mechanism that you believe causes the phenomenon that interests you. The third paragraph should detail how you might study (in a scientific manner) the mechanism that you propose in the second paragraph. For sanity's sake you should not cite anyone. Just write in plain English

Clarity, conciseness and coherence are a must. Note, this assignment should be emailed to the instructor by 9 am on Monday, January 13. Your essays will be discussed in class.

Readings.

Ostrom, Elinor. "Beyond Markets and States: Polycentric Governance of Complex Economic Systems." *American Economic Review* 100, no. 3 (2010): 641-72.

Week 2. (January21) Overview and Theoretical Concepts

Diermeier, Daniel and Keith Krehbiel. 2003. "Institutionalism as a Methodology." *Journal of Theoretical Politics*. 15 (2): 123-144.

Sheingate, A. (2014). "Institutional Dynamics and American Political Development." *Annual Review of Political Science* 17: 461-77.

Luban, Daniel. "What Is Spontaneous Order?" *American Political Science Review* 114, no. 1 (2020): 68-80.

Ostrom, Vincent. 1980. "Artisanship and Artifact." *Public Administration Review* 35 (Sept.): 519-30.

Voeten, Erik. "Making Sense of the Design of International Institutions." *Annual Review of Political Science* 22, no. 1 (2019): 147-63.

Week 3. (January28) Historical Determinism, Culture and All That

Firmin-Sellers, K. (1995). "The Politics of Property Rights." *American Political Science Review* 89(4): 867-81.

Bednar, Jenna, and Scott E. Page. "When Order Affects Performance: Culture, Behavioral Spillovers, and Institutional Path Dependence." *American Political Science Review* 112, no. 1 (2018): 82-98.

Sokoloff, K.L., and S.L. Engerman. (2000). "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World." *Journal of Economic Perspectives* 14(3): 217-32.

Lankina, T., and L. Getachew. (2012). "Mission or Empire, Word or Sword? The Human Capital Legacy in Postcolonial Democratic Development." *American Journal of Political Science* 56(2): 465-83.

Besley, T., and M. Reynal-Querol. (2014). "The Legacy of Historical Conflict: Evidence from Africa." *American Political Science Review* 108(2): 319-36.

Week 4 (February 4). Norms

Coase, Ronald H. 1960. "The Problem of Social Cost." *Journal of Law and Economics*.

Skyrms, Brian. *The Stag Hunt and the Evolution of Social Structure*. Cambridge: Cambridge University Press, 2003.

Week 5 (February 11). Transaction Costs and Contracting Problems.

North, Douglass C. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press. (All)

Greif, A., and M. Iyigun. (2013). "Social Organizations, Violence, and Modern Growth." *The American Economic Review* 103(3): 534-38.

Week 6 (February 18). Weak Monitoring.

Hyde, S. (2011). "Catch Us If You Can: Election Monitoring and International Norm Diffusion." *American Journal of Political Science* 55(2): 356-69.

Hultman, L., J. Kathman, and M. Shannon. (2013). "United Nations Peacekeeping and Civilian Protection in Civil War." *American Journal of Political Science* 57(4): 875-91.

Blair, Robert A., Sabrina M. Karim, and Benjamin S. Morse. "Establishing the Rule of Law in Weak and War-Torn States: Evidence from a Field Experiment with the Liberian National Police." *American Political Science Review* 113, no. 3 (2019): 641-57.

Ostrom, E., and H. Nagendra. (2007). "Tenure Alone Is Not Sufficient: Monitoring Is Essential." *Environmental Economics and Policy Studies* 8(3): 175-99.

Week 7 (February 25). Principal-Agents and Delegation.

Miller, Gary J. 1992. *Managerial Dilemmas: The Political Economy of Hierarchy.* Cambridge: Cambridge University Press. All.

Week 8 (March 3). Rules I

Ostrom, Elinor. *Understanding Institutional Diversity* – Chapters 1-4

Greif, A. (2014). "Do Institutions Evolve?" *Journal of Bioeconomics* 16(1).

Week 9 (March 10). Rules II

Ostrom, Elinor. *Understanding Institutional Diversity* – Chapters 5-7

Aligica, P.D., and V. Tarko. (2013). "Co-Production, Polycentricity, and Value Heterogeneity: The Ostroms' Public Choice Institutionalism Revisited." *American Political Science Review* 107(04): 726-41.

Week 10 Spring Break (March 17).

Week 11 (March 24). Collective Action and Common Pool Resource Dilemmas

Ostrom, Elinor. *Understanding Institutional Diversity* – Chapters 8-9

Acheson, J. M. 2006. "Institutional Failure in Resource Management." *Annual Review of Anthropology* 35: 117-34.

Fearon, J.D., M.M. Humphreys, and J.M. Weinstein. (2015). "How Does Development Assistance Affect Collective Action Capacity: Results from a Field Experiment in Post-Conflict Liberia." *American Political Science Review* 109(3): 450-69.

Agrawal, A., A. Chhatre, and E.R. Gerber. (2015). "Motivational Crowding in Sustainable Development Interventions." *American Political Science Review* 109(3): 470 - 87.

Week 12 (March 31). Endogenous Choice of Institutions and Your Research Design

I want you to write up a 5-6 page outline of your paper. In this I expect: (a) a problem statement, (b) identifying the appropriate literature (what

are you doing that is new), (c) an overview of your experimental design and (d) what you expect to find. We will discuss all of your topics in class.

Dal Bó, P., A. Foster, and L. Putterman. (2010). "Institutions and Behavior: Experimental Evidence on the Effects of Democracy." *American Economic Review* 100: 2205-29.

Hamman, J.R., R.A. Weber, and J. Woon. (2011). "An Experimental Investigation of Electoral Delegation and the Provision of Public Goods." *American Journal Of Political Science* 55(4): 737-51.

Dickson, E.S., S.C. Gordon, and G.A. Huber. (2015). "Institutional Sources of Legitimate Authority: An Experimental Investigation." *American Journal of Political Science* 59(1): 109-27.

Grose, C.R. (2014). "Field Experimental Work on Political Institutions." *Annual Review of Political Science* 17: 355-70.

Markussen, T., L. Putterman, and J.-R. Tyran. (2014). "Self-Organization for Collective Action: An Experimental Study of Voting on Sanction Regimes." *Review of Economic Studies* 81(1): 301-24.

Week 13 (April 7). Institutions Shaping Preferences or Vice Versa?

Riker, W.H. (1980). "Implications from the Disequilibrium of Majority Rule for the Study of Institutions." *American Political Science Review* 74(2): 432-46.

Shepsle, K.A. (1979). "Institutional Arrangements and Equilibrium in Multidimensional Voting Models." *American Journal of Political Science* 23(1): 27-59.

Shepsle, K., and B. Weingast. (2012). "Why So Much Stability? Majority Voting, Legislative Institutions, and Gordon Tullock." *Public Choice* 152(1/2): 83-95.

Jeong, G.-H., W.R. Lowry, G.J. Miller, and I. Sened. (2014). "How Preferences Change Institutions: The 1978 Energy Act." *The Journal of Politics* 76(2): 430-45.

Week 14 (April14). Institutional Design and Political Systems

Knight, Jack. 1992. *Institutions and Social Conflict*. Cambridge: Cambridge University Press. (All)

Week 15 (April 21). In class presentation of design

Final Paper Due 5:00 pm (May 6)

Supplemental Readings

Week 2. Overview and Theoretical Concepts

Alt, James E., and Kenneth A. Shepsle. "Rules, Restrictions, Constraints: Structure and Process in the New Institutional Economics." *Journal of Institutional and Theoretical Economics* 154, no. 4 (1998): 735-43.

Greif, Avner. 1998. "Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies." In Mary C. Brinton and Victor Nee (eds.) *The New Institutionalism in Sociology*. New York: Russell Sage Foundation. pp. 77-104.

Crouch, C., and H. Farrell. "Breaking the Path of Institutional Development? Alternatives to the New Determinism." *Rationality and Society* 16, no. 1 (2004): 5-43.

Henrich, Joseph, Robert Boyd, Samuel Bowles, Colin Camerer, Ernest Fehr, Herbert and Gintis, and Richard McElreath. "Cooperation, Reciprocity and Punishment in Fifteen Small-Scale Societies." *American Economic Review* 91, no. 2 (2001).

Hodgson, Geoffrey M. "The Approach of Institutional Economics." *Journal of Economic Literature* 36 (1998): 166-92.

North, Douglass C. 1998. "Economic Performance through Time." In Mary C. Brinton and Victor Nee (eds.) The New Institutionalism in Sociology. New York: Russell Sage Foundation. pp. 19-45.

Shepsle, Kenneth A. 1989. "Studying Institutions: Some Lessons from the Rational Choice Approach." *Journal of Theoretical Politics* (July): 131-49.

Ordeshook, Peter C. 1993. "The Development of Contemporary Political Theory." In William A Barnett, Melvin J. Hinich, and Norman J. Schofield (eds.) *Political Economy: Institutions, Competition, and Representation*. Cambridge: Cambridge University Press.

Simon, Herbert A. 1985. "Human Nature in Politics: The Dialogue of Psychology with Political Science." *American Political Science Review* pp. 293-305.

Elster, Jon. 1999. *Alchemies of the mind : rationality and the emotions*. New York: Cambridge University Press.

Elster, Jon. 1990. "When Rationality Fails." In *The Limits of Rationality*. Karen Schweers Cook and Margaret Levi, eds. Chicago: University of Chicago Press. Chapter 1 (pp. 19-51).

Henrich, Joe, Kevin McCabe, Wulf Albers, Rob Boyd, Peyton Young, Axel Ockenfels and Gerd Gigerenzer "What is the Role of Culture in Bounded Rationality?" In Gerd Gigerenzer and Reinhart Selten (eds.) *Bounded Rationality: The Adaptive Toolbox*.

Rabin, Mathew. 1998. "Psychology and Economics." *Journal of Economic Literature* 36 (1): 11-46.

Greif, A., and D. D. Laitin. "A Theory of Endogenous Institutional Change." *American Political Science Review* 98, no. 4 (2004): 633-52.

March, James G., and Johan P. Olsen. "The New Institutionalism: Organizational Factors in Political Life." *American Political Science Review* 78, no. 3 (1984): 734-49.

Week 3. And all that ….

Alesina, Alberto, and Paola Giuliano. "Culture and Institutions." *Journal of Economic Literature* 53, no. 4 (2015): 898-944.

Pierskalla, Jan, Anna Schultz, and Erik Wibbels. "Order, Distance, and Local Development over the Long-Run." *Quarterly Journal of Political Science* 12, no. 4 (2017): 375-404.

Week 4. Norms

Chwe, Michael Suk-Young. 2001. *Rational Ritual: Culture, Coordination, and Common Knowledge*. Princeton, NJ: Princeton University Press.

Ellickson, Robert C. 1998. "Of Coase and Cattle: Dispute Resolution Among Neighbors in Shasta County." In Mary C. Brinton and Victor Nee (eds.) *The New Institutionalism in Sociology*. New York: Russell Sage Foundation. pp. 46-76.

Ellickson, Robert C. 1991. *Order without Law: How Neighbors Settle Disputes*. Cambridge: Harvard University Press.

Elkins, Zachary, and John Sides. 2007. "Can Institutions Build Unity in Multiethnic States?" *American Political Science Review* 101 (04):693-708.

Granovetter, Mark. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology*. 91: 481-510.

Hoffman, Elizabeth and Mathew Spitzer. 1982. "The Coase Theorem: Some Experimental Tests." *Journal of Law and Economics.* 25 (1): 73-98.

Vira, Bhaskar. 1997. "The Political Coase Theorem: Identifying Differences between Neoclassical and Critical Institutionalism." *Journal of Economic Issues*; 31 (3): 761-79.

Kahneman, Daniel; Knetsch, Jack L.; Thaler, Richard H. 1990. "Experimental Tests of the Endowment Effect and the Coase Theorem." *Journal of Political Economy*. 98 (6): 1325-48.

Coleman, James S. 1990. "Norm-Generating Structures." In *The Limits of Rationality*. Karen Schweers Cook and Margaret Levi, eds. Chicago: University of Chicago Press. Chapter 7 (pp. 250-273).

Majeski, Stephen J. 1990. "Comment: An Alternative Approach to the Generation and Maintenance of Norms." In *The Limits of Rationality*. Karen Schweers Cook and Margaret Levi, eds. Chicago: University of Chicago Press. Chapter 7 (pp. 273-281).

Hirshleifer, David and Eric Rasmusen. 1989. "Cooperation in a Repeated Prisoners' Dilemma with Ostracism." *Journal of Economic Behavior and Organization*. 12: 87-106

Knight, Jack and Jean Ensminger. 1998. "Conflict over Changing Social Norms: Bargaining, Ideology, and Enforcement." In Mary C. Brinton and Victor Nee (eds.) The New Institutionalism in Sociology. New York: Russell Sage Foundation. pp. 105-126.

Week 5. Transaction Costs and Contracting Problems.

Gibbons, Robert. 1998. "Incentives in Organizations." *Journal of Economic Perspectives*. 12 (4): 115-32.

Greif, Avner, Paul Milgrom and Barry R. Weingast. 1994. "Coordination, Commitment, and Enforcement: The Case of the Merchant Guild." *Journal of Political Economy* V. 102: 745.

Ensminger, Jean 1992. *Making a Market: The institutional transformation of an African Society*. Cambridge: Cambridge University Press. Chapter 1 (pp. 1-32).

Knight, Jack, and James Johnson. 2007. "The Priority of Democracy: A Pragmatist Approach to Political-Economic Institutions and the Burden of Justification." *American Political Science Review* 101 (01):47-61.

Milgrom, Paul R., Douglass C. North, and Barry R. Weingast. 1990. "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges, and the Champagne Fairs." *Economics and Politics* 2: 1-23.

Myerson, Roger B. 2008. "The Autocrat's Credibility Problem and Foundations of the Constitutional State." *American Political Science Review* 102 (1):125-39.

Dewan, T., and K. A. Shepsle. 2008. "Review Article: Recent Economic Perspectives on Political Economy, Part II." *British Journal of Political Science* 38: 543-64.

Week 6 (February 18). Weak Monitoring.

Luo, Zhaotian, and Arturas Rozenas. "The Election Monitor's Curse." *American Journal of Political Science* 62, no. 1 (2018): 148-60.

Week 7. Principal-Agents and Delegation.

De Mesquita, Ethan Bueno, and Matthew C. Stephenson. 2007. "Regulatory Quality Under Imperfect Oversight." *American Political Science Review* 101 (03):605-20.

Blom-Hansen, J. 2005. "Principals, Agents, and the Implementation of EU Cohesion Policy." *Journal of European Public Policy* 12(4): 624-48.

Feiock, R. C. 2009. "Metropolitan Governance and Institutional Collective Action." *Urban Affairs Review* 44(3): 356-77.

Freeland, R. F. 2000. "Creating Holdup through Vertical Integration: Fisher Body Revisited." *Journal of Law & Economics* 43(1): 33-66.

Week 8. Rules I

Ostrom, Elinor, Roy Gardner and James Walker. 1994. *Rules, Games, and Common-Pool Resources.* Ann Arbor: University of Michigan Press. Chapters 1-2 (pp. 3-97).

Eggertsson, Thráinn. 1995. On the Economics of Economics." *Kyklos* 48 (2): 201-210

Kiser, Larry, and Elinor Ostrom. 1982. "The Three Worlds of Action: A Metatheoretical Synthesis of Institutional Approaches." In *Strategies of Political Inquiry*, ed. Elinor Ostrom. Beverly Hills, CA: Sage Publications (pp. 179-222).

Week 11. Collective Action and Common Pool Resource Dilemmas

Bendor, Jonathan and Dilip Mookherjee. 1987. "Institutional Structure and the Logic of Ongoing Collective Action." *American Political Science Review.* 81 (1): 129-154.

Gächter, Simon and Ernst Fehr. 1999. "Collective action as a social exchange." *Journal Of Economic Behavior And Organization*. 39 (4): 341-369

Ostrom, Elinor. 2000. "Collective Action and the Evolution of Social Norms." *Journal of Economic Perspectives* 14(3): 137-58.

Scholz, J. T., R. Berardo, and B. Kile. 2008. "Do networks solve collective action problems? Credibility, search, and collaboration." *Journal of Politics* 70 (2):393-406.

Volden, Craig, and Alan E. Wiseman. 2007. "Bargaining in Legislatures over Particularistic and Collective Goods." *American Political Science Review* 101 (01):79-92.

Aggarwal, Vinod K. and Cedric Dupont. 1999. "Goods, Games, and Institutions." *International Political Science Review*. 20 (4): 393-409.

Bagashka, T. 2008. "Invisible Politics: Institutional Incentives and Legislative Alignments in the Russian Duma, 1996-99." *Legislative Studies Quarterly*

33(3): 415-44.

Bawn, Kathleen. 1998. "Congressional Party Leadership: Utilitarian versus Majoritarian Interests." Legislative Studies Quarterly. 23 (2): 219-243.

Cann, D. M. 2008. "Modeling Committee Chair Selection in the US House of Representatives." *Political Analysis* 16(3): 274-89.

Ciftci, S., W. Forrest, and Y. Tekin. 2008. "Committee Assignments in a Nascent Party System: The Case of the Turkish Grand National Assembly." *International Political Science Review* 29(3): 303-24.

Clinton, J. D. 2007. "Lawmaking and Roll Calls." *Journal of Politics* 69(2): 457-69.

Engstrom, Erik J., and Samuel Kernell. 2005. "Manufactured Responsiveness: The Impact of State Electoral Laws on Unified Party Control of the Presidency and House of Representatives, 1840-1940." *American Journal of Political Science* 49(3): 531-49.

Haller, T., and S. Merten. 2008. ""We are Zambians-Don't Tell Us How to Fish!" Institutional Change, Power Relations and Conflicts in the Kafue Flats Fisheries in Zambia." *Human Ecology* 36 (5):699-715.

Krehbiel, Keith. 1993. "Where's the Party?" *British Journal of Political Science*. 23: 235-266.

Singleton, Sara. 1999. "Commons Problems, Collective Action and Efficiency: Past and Present Institutions of Governance in Pacific Northwest Fisheries." *Journal of Theoretical Politics*. 11 (3): 367-391.

Tenenberg, J. 2008. "An institutional analysis of software teams." *International Journal of Human-Computer Studies* 66 (7):484-94.

Tsai, Lily L. 2007. "Solidary Groups, Informal Accountability, and Local Public Goods Provision in Rural China." *American Political Science Review* 101 (02):355-72.

Week 13. Institutions Shaping Preferences or Vice Versa?

Ballingrud, Gordon, and Keith L. Dougherty. "Coalitional Instability and the Three-Fifths Compromise." *American Journal of Political Science* 62, no. 4 (2018): 861-72.

Week 14. Institutional Design and Political Systems

Benoit, Kenneth, and Jacqueline Hayden. "Institutional Change and Persistence: The Evolution of Poland's Electoral System, 1989-2001." *Journal of Politics* 66, no. 2 (2004): 396-427.

Boix, Carles. "Setting the Rules of the Game: The Choice of Electoral Systems in Advanced Democracies." *American Political Science Review* 93, no. 3 (1999): 609-24.

Mozaffar, Shaheen, James R. Scarritt, and Glen Galaich. "Electoral Institutions, Ethnopolitical Cleavages and Party Systems in Africa's Emerging Democracies." *American Political Science Review* 97, no. 3 (2003): 379-90.

Crémer, Jacques and Thomas R. Palfrey. 1999. "Political Confederation." *American Political Science Review*. 93: 1 (March), 69-83.

Cox, Gary. 1999. "Electoral Rules and Electoral Coordination." *Annual Review of Political Science* 2: 145-161.

Huber, John D, and Nolan McCarty. 2001. Cabinet Decision Rules and Political Uncertainty in Parliamentary Bargaining. *American Political Science Review* 95 (2):345-360.

Battaglini, Marco, Ernest K. Lai, Wooyoung Lim, and Joseph Tao-Yi Wang. "The Informational Theory of Legislative Committees: An Experimental Analysis." *American Political Science Review* 113, no. 1 (2019): 55-76.

Bormann, Nils-Christian, Lars-Erik Cederman, Scott Gates, Benjamin A. T. Graham, Simon Hug, Kaare W. Strøm, and Julian Wucherpfennig. "Power Sharing: Institutions, Behavior, and Peace." *American Journal of Political Science* 63, no. 1 (2019): 84-100.